

# Exhibit A

Presentment Date: December 30, 2009  
Time: 9:30 AM

Davidoff Malito & Hutcher LLP  
Ralph E. Preite, Esq.  
Counsel for CHLOE FOODS CORP.  
605 Third Avenue  
New York, New York 10158  
(212) 557-7200

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK

-----X

In re

Chapter 11

CHLOE FOODS CORP.,

Case No. 08-48650-CEC

Debtor.

-----X

**STIPULATION AND ORDER AUTHORIZING COMPROMISE OF  
CONTROVERSY PURSUANT TO RULE 9019 OF THE FEDERAL RULES  
OF BANKRUPTCY PROCEDURE INCLUDING DISTRIBUTION OF  
ESTATE FUNDS PURSUANT TO CARVE-OUT BY SECURED CREDITORS**

WHEREAS, on December 19, 2008, Chloe Foods Corp., debtor (“the Debtor”) filed a voluntary petition under chapter 11 of title 11 of the United States Code, 11 U.S.C. 101, et seq. (the “Bankruptcy Code”); and

WHEREAS, the Debtor has remained as debtor in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code; and

WHEREAS, substantially all of the Debtor’s assets were sold at auction on May 22, 2009 in accordance with section 363 of the Bankruptcy Code for the sum of \$3,000,000.00, and a closing thereon was held May 24, 2009; and

WHEREAS, from the \$3,000,000.00 sales proceeds, the following \$2,011,550.00 in payments were made by Order of the Court:

<b>AMOUNT</b>	<b>DISTRIBUTION TO PACA AND LAND LORD CURE</b>
30,698.00	Paris Foods, Corporation
452,852.00	Farm Fresh, Inc.
300,000.00	Wells Fargo Bank, NA,
1,158,000.00	Bonell Produce, Inc., d/b/a Dublin Produce Co.
70,000.00	Steve Malatesta Imports Inc.
2,011,550.00	Total

thereby leaving approximately \$995,896.52 in escrow with Debtor's counsel, Davidoff Malito & Hutcher LLP ("DMH"), including interest and other deposits ("Escrow Funds"); and

WHEREAS, the Debtor expects to receive approximately \$1.7 million in NYS Empire Zone Tax refunds ("Tax Refunds"), of which net approximately \$929,548.10 is expected to be available to the Estate ("Net Tax Refunds"), and

WHEREAS, from the \$995,896.52 proceeds being held in escrow by DMH, the following \$45,669.50 in future payments ("Future Payments") needed to be made:

<b>FUNDS REQUIRED FOR FUTURE PAYMENTS</b>	
Anchin Economic Development LLC	20,000.00
LCK	5,000.00
AICCO Escrow	8,519.50
US Trustee 3Q09	975.00
US Trustee 4Q09 (if settled)	4,875.00
US Trustee 1Q10	650.00
US Trustee 2Q10	650.00
Other Misc expenses.	5,000.00
Total:	45,669.50

thereby leaving the sum of \$950,000.00 available in The Escrow Funds to distribute to creditors; and

WHEREAS, Amerivon Chloe Acquisition LLC ("Amerivon"), Cross Island Plaza Inc. ("CIP), BCS Financial LLC, as successor to Sanderson State Bank ("BCS") (Amerivon, CIP and BCS shall collectively be referred to as the "Secured Creditors") assert alleged liens against the net sale proceeds with such alleged liens collectively exceed \$10,000,000.00; and

WHEREAS, the Secured Creditors assert a security interest in the Tax Refunds,

WHEREAS, the Debtor and the Official Committee of Unsecured Creditors, and each of them, have asserted certain defenses to the alleged claims of the Secured Creditors, and additionally, have asserted claims against some of the Secured Creditors; and

WHEREAS, the Secured Creditors, the Debtor and the Official Committee of Unsecured Creditors have reached an agreement resolving the Secured Claims, the defenses thereto, and the various additional claims which may exist against some of the Secured Creditors, the alleged claims for recovery of certain payments made, alleged misrepresentations, among other things, and distribution of the Escrow Funds being held by DMH and the distribution of the Tax Refunds as a form of carve-out of the alleged security interest of the Secured Creditors;

IT IS HEREBY STIPULATED AND AGREED, by and between the Secured Creditors, and each of them, the Debtor, DMH as Debtor's counsel, Platzer, Swergold, Karlin, Levine, Goldberg & Jaslow LLP (Creditors' Committee Counsel), and CBIZ Accounting Tax & Advisory of New York, LLC (Creditors' Committee Accountants) (hereinafter, collectively referred to as the "Administrative Professionals"), Local 348-S, United Food & Commercial Workers ("Local 348-S") Local 348 Health & Welfare Fund ("348 Welfare Fund") and Local 348 Annuity Fund ("348 Annuity Fund"), Local 807 I.B.T. ("Local 807") and the Local 807 Profit Sharing Fund ("807 Profit Sharing Fund") and the United Teamsters Fund ("Teamsters Fund") hereinafter collectively referred to as the "Creditors", as follows:

1. The Debtor is hereby authorized to segregate the funds required for Future Payments, and the Debtor, by its Counsel, DMH, is authorized to use such segregated escrow funds to make such Future Payments. Any unused balance remaining from said funds shall be remitted to the Secured Creditors at such time as DMH determines that such funds are not needed for itemized purpose Future Payments;

2. The \$950,000.00 currently on deposit in DMH's escrow account shall be split 55/45 between the Secured Creditors (who will take 55%) and the Administrative Professionals, Local 348-S, 348 Welfare Fund, 348 Annuity Fund, Local 807 and 807 Profit Sharing Fund and the Teamsters Fund, and employees for wages unpaid in January 2009 (who will take 45%), such being a carve-out of the Secured Creditors' collateral;

3. The Tax Refunds, as and if such funds are collected by the Debtor, shall be split 55/45 between the Secured Creditors (who will take 55% and the Administrative Professionals, Local 348-S, 348 Welfare Fund, 348 Annuity Fund, Local 807 and 807 Profit Sharing Fund and the Teamsters Fund, and employees for wages unpaid in January 2009 (who will take 45%) such being a carve-out of the Secured Creditors' collateral. The net projected refunds are as follows:

Projected NYS Empire Zone Refunds (06, 07, 07, 08)	1,710,609.00
Projected Accounting fees (CBIZ) estimated	(50,000.00)
Anchin Economic Dev LLP fee	(171,060.90)
Projected legal fees (estimated)	(25,000.00)
Projected Lease Cure Amounts	<u>(610,000.00)</u>
Net tax refunds:	929,548.10

4. The distributions provided herein shall be in full and complete satisfaction of all claims by and between the Debtor, the bankruptcy estate, the Secured Creditors, and the Official Committee of Unsecured Creditors, and each of them arising in, or related to, this bankruptcy case. The distributions provided for herein shall be in full satisfaction of the claims asserted and addressed herein.

5. Of the 45% of the \$950,000.00 in estate funds currently on deposit in DMH's escrow account, the following entities shall share distribution thereof pro-rata estate pursuant to the following schedule, and payments of such shall be concurrent with payments to each other:

<b>PROFESSIONAL FEES, WAGES &amp; UNION</b>	<b>AMOUNT</b>
Davidoff Malito & Hutcher	510,000.00
Platzer, Swergold, Karlin,	150,000.00
CBIZ Accounting Tax & Advisory etc.	150,000.00
Local 348-S Dues	13,000.00
Local 348 Annuity Fund	10,610.00
Local 348 Welfare Fund	66,610.00
Local 807 Profit Sharing Fund	18,882.67
Local 807 dues	4,191.42
Teamsters Fund	24,750.00
Non-Union wages 1st week	72,753.46
Union 807 wages 1st week	16,677.06
Union 348 wages 1st week	60,364.47
Non-Union wages 2nd week	71,043.50
Union 807 wages 2nd week	12,072.53
Union 348 wages 2nd week	<u>46,844.30</u>
Total:	1,227,799.41

6. Of the 45% of the Tax Refunds that is carved-out for Administrative Professionals, wages and Local 348-S, 348 Welfare Fund, 348 Annuity Fund, Local 807 and 807 Profit Sharing Fund and the Teamsters Fund , said entities will share distribution thereof pro-rata pursuant to the immediately previous schedule, and payments of such shall be concurrent with payments to each other;

7. Any and all other funds which come into the Debtor's estate shall be distributed pursuant to the 45/55 ratio provided for herein.

Dated: New York, New York  
December 31, 2009

DAVIDOFF MALITO & HUTCHER LLP  
Counsel for Chloe Foods Corp.

By: \_\_\_\_\_  
Ralph E. Preite (RP:6700)  
605 Third Avenue  
New York, New York 10158  
(212) 557-7200

Platzer, Swergold, Karlin,  
Levine, Goldberg & Jaslow, LLP  
Attorneys for the Official  
Committee of Unsecured Creditors

By: \_\_\_\_\_

Scott K. Levine Esq.  
1065 Avenue of the Americas  
New York, NY 10018  
Phone: (212) 593-3000  
Fax: (212) 593-0353

CBIZ Accounting Tax & Advisory of New York, LLC  
Accountants for the Official  
Committee of Unsecured Creditors,

By: \_\_\_\_\_

Esther Duval  
1065 Avenue of the Americas  
New York, NY 10018  
Phone: (212) 790-5700  
Fax: (212) 398-0267

Cary Kane LLP  
Attorneys for Local 807 I.B.T.  
and the Local 807 Profit Sharing Fund,

By: \_\_\_\_\_

Rachel S. Paster, Esq.  
1350 Broadway, Suite 815  
New York, New York 10018  
Phone: (212) 868-6300  
Direct Line: 212-871-0537  
Fax: (212) 868-6302

O'Connor & Mangan, P.C.  
Attorneys for Local 348-S, UFCW,  
Local 348 Health & Welfare Fund and  
Local 348 Annuity Fund

By: \_\_\_\_\_  
Warren Mangan, Esq.  
271 North Avenue, Suite 610  
New Rochelle, New York 10801  
Phone: (914) 576-7630 x 15  
Fax: (914) 576-7682

Dealy & Silberstein,  
Attorneys for Local 807 United Teamsters Health & Welfare Fund

By: \_\_\_\_\_  
Milo Silberstein, Esq.  
225 Broadway, Suite 1405  
New York, NY 10007-3001  
Phone: (212) 385-0066

Kizer, Hood & Morgan, LLP  
Attorneys for BCS Financial LLC, as  
successor to Sanderson State Bank

By: \_\_\_\_\_  
Chantel K. Adams, Esq.  
2111 Quail Run Drive  
Baton Rouge, LA 70808  
Phone: 225-761-0001  
Fax: 225-761-0731

Sills Cummis & Gross PC  
Attorneys for Amerivon Chloe Acquisition LLC

By: \_\_\_\_\_  
Charles N. Panzer, Esq.  
One Riverfront Plaza  
Newark, NY 07102  
Phone: (973) 643-5443  
Fax: (973) 643-6500



LaMonica, Herbst & Maniscalco  
Attorneys for Cross Island Plaza Inc.

By: \_\_\_\_\_  
Salvatore LaMonica Esq.  
3305 Jerusalem Avenue  
Wanatagh, NY 11793  
Phone: (516) 826-6500  
Fax: (516) 826-0222

Agreed and Consented to  
Chloe Foods Corp.

By: \_\_\_\_\_  
Annette Apergis, President

SO ORDERED this 31st  
day of December 2009

\_\_\_\_\_  
Hon. Carla E. Craig  
Chief United States Bankruptcy Judge